Medicare Hospice Data - 1998 – 2005

Background

In order to be eligible to elect the Medicare hospice benefit, beneficiaries must be certified by their attending physician, and the hospice physician, as being terminally ill with a prognosis of 6 months or less to live should the illness run its normal course. The statute defines terminal illness as a prognosis of 6 months or less to live. Our regulations provide further clarification that their prognosis is based on the normal course of the terminal illness.

The statutory definition of terminal illness focuses on a 6 month prognosis rather than on a specific class of diagnosis. Additionally, the statute recognizes that the physician certification is based on the physician's clinical judgment of the normal course of the terminal illness. These clarifications are an important recognition that making a terminal prognosis is not always an exact science.

Medicare contractors do have local hospice coverage guidelines available to assist providers in identifying beneficiaries who have a terminal condition. These guidelines do not prohibit any diagnosis or condition, but focus on objective clinical indicators that contribute to the determination of terminal status.

Expenditures and Utilization

Expenditures for the Medicare hospice benefit have increased approximately $1 billion per year. Additionally, while representing a small percentage of total hospice providers, an increasing numbers of hospice providers are exceeding the aggregate cap. In evaluating the factors that have contributed to this very rapid growth as well as the reasons for exceeding the aggregate cap, CMS has identified some areas of concern.

- In FY 2000, expenditures for the Medicare hospice benefit was $2,895,500,000. In FY 2005, the expenditure was $8,154,900,000.

- The greatest growth in expenditures in the 5 years between 2001 and 2005 were for physician services, continuous home care level of care and general inpatient level of care.

- The average length of stay has been steadily increasing. However, the long lengths of stay are becoming longer. For example, in 2005, Mississippi, Alabama, and Oklahoma had an average length of stay of 122, 113 and 108 respectively, while the national average was 67 days.

Diagnosis (see Table A)

In 1998, five of the 10 top diagnoses for beneficiaries electing the hospice benefit were cancer related. In 2005, three of the top 10 diagnoses were cancer related.

Of the seven non-cancer diagnoses the fastest growing are Alzheimer's disease, debility not otherwise specified, adult failure to thrive and senile dementia. These diagnoses are associated with very long lengths of stay.

Table A
Top 10 Diagnostic Codes in Descending Order

1998	1999	2000	2001	2002	2003	2004	2005
Lung/Bronc Cancer	Lung/Bronc Cancer	Lung/Bronc Cancer	Lung/Bronc Cancer	Lung/Bronc Cancer	Lung/Bronc Cancer	Lung/Bronc Cancer	Lung/Bronc Cancer
CHF	CHF	CHF	CHF	CHF	CHF	CHF	CHF
CAO	CAO	CAO	CAO	Debility NOS	Debility NOS	Debility NOS	Debility NOS
Prostate CA	Prostate CA	CVA	Debility NOS	CAO	CAO	CAO	CAO
CVA	CVA	Debility NOS	Alzheimer's	Alzheimer's	Alzheimer's	Alzheimer's	Alzheimer's
Breast CA	Alzheimer's	Alzheimer's	CVA	CVA	CVA	Failure to Thrive	Failure to Thrive
Colon CA	Breast CA	Prostate CA	Prostate CA	Failure to Thrive	Failure to Thrive	CVA	CVA
Alzheimer's	Colon CA	Breast CA	Breast CA	Prostate CA	Senile Dementia	Senile Dementia	Senile Dementia
Pancreatic CA	Debility NOS	Colon CA	Colon CA	Senile Dementia	Prostate CA	Prostate CA	Prostate CA
Debility NOS	Pancreatic CA	Pancreatic CA	Pancreatic CA	Breast CA	Breast CA	Breast CA	Breast CA

Note: CHF = congestive heart failure CAO = chronic airway obstructive disease
CA = cancer CVA = cerebral vascular accident (referred to as stroke)
NOS = not otherwise specified

<u>Patients receiving hospice services</u> (see Table B)
The number of patients receiving hospice care nationally increased 27% from 1998 to 2000 and 63% from 2000 to 2005.

The number of patients with a terminal diagnosis of Alzheimer's disease increased 61% from 1998 to 2000 and 137% from 2000 to 2005.

While senile dementia did not emerge as one of the top 10 diagnostic codes until 2002, the number of patients increased 102% from 1998 to 2000 and 156% from 2000 – 2005.

For debility NOS, the number of patients electing the hospice benefit increased 156% from 1998 to 2000 and 203% from 2000 – 2005.

While there were no hospice claims with adult failure to thrive (AFTT) until 2000, AFTT quickly emerged as one of the top 10 diagnoses in 2002. The numbers of beneficiaries with AFTT electing the hospice benefit increased 2601% from 2000 – 2005 and 114% from 2002 to 2005.

Table B
Patient Receiving Hospice Services (CY 1998 – 2006*)
Top 10 Diagnostic Codes

	1998	1999	2000	2001	2002	2003	2004	2005	2006*
Alzheimer's	12,829	16,006	20,633	25,222	30,212	36,215	42,741	48,980	49,705
Senile Dementia	5,520+	8,168+	11,164+	14,172+	17,892	22,060	25,358	28,597	30,227
Debility NOS**	8,533	14,826	21,808	29,697	39,440	47,406	56,458	66,055	70,404
Adult Failure To Thrive	……..	……..	1,610+	10,719+	20,369	28,010	35,419	43,491	47,097
Total – All diagnoses	420,761	474,189	534,213	594,384	661,533	729,044	797,117	871,249	850,904

* 2006 data is not complete ** Debility Not Otherwise Specified
….. Diagnostic code not in the top 10 diagnostic codes
\+ Did not emerge into the top 10 diagnosis codes until 2002

<u>Average Length of Stay</u> (see Table C)
The average length of stay (ALOS) nationally remained unchanged from 1998 to 2000, but increased 40% from 2000 to 2005.

The ALOS for patients with a diagnosis of Alzheimer's disease and senile dementia decreased 1% and 2% respectively from 1998 to 2000 but increased 50% from 2000 to 2005 for Alzheimer's disease and 49% for senile dementia.

The ALOS for Alzheimer's, senile dementia, debility NOS and Adult Failure to Thrive exceeded the national average in each year beginning 1998, with Alzheimer's having the longest ALOS overall.

The ALOS for patients with diagnoses of Alzheimer's and senile dementia exceeded the national average each year since 1998

Table C
Average Days/Patient – Hospice
Top 10 Diagnostic Codes

	1998	1999	2000	2001	2002	2003	2004	2005	2006*
Alzheimer's	67	65	66	73	84	93	96	99	108
Senile Dementia	58+	54+	57+	64+	69	78	84	85	87
Debility NOS**	51	50	51	56	59	65	70	73	76
Adult Failure to Thrive	……..	……	32+	50+	63	70	76	78	80
Total – All diagnoses	48	48	48	51	57	63	65	67	72

* 2006 data is not complete ** Debility Not Otherwise Specified
….. Diagnostic code not used in hospice
\+ Did not emerge into the top 10 diagnosis codes until 2002.

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